

1
2
3
4 **THE UNITED STATES BANKRUPTCY COURT**
5 **EASTERN DISTRICT OF MICHIGAN**
SOUTHERN DIVISION - DETROIT

6 In re:

7 CITY OF DETROIT, MICHIGAN,

8 Debtor.

9 CITY OF DETROIT, MICHIGAN,

10 Plaintiff,

11 - against -

12 SAFECO INSURANCE COMPANY
13 OF AMERICA,

14 Defendant.

Chapter 9 Proceeding

Case No.: 13-53846

Hon. Thomas J. Tucker

15 **SAFECO'S RESPONSE TO CITY OF DETROIT'S STATUS REPORT WITH**
16 **REGARD TO PREFERENCE ACTIONS**

17 Safeco Insurance Company, through undersigned counsel, responds to
18 the Status Report submitted by the City of Detroit on April 29, 2016. (Doc.
19 11137). In its status report, the City touts its settlement of preference actions
20 and requests that the terms and conditions of the Procedures Order (Doc. 10280)
21 should not be changed. The City's request, however, effectively prevents any
22 of the remaining preference defendants from defending themselves by
23 conducting discovery. In Safeco's case, this prohibition is especially
24 problematic because the City has failed to respond to Safeco's informal
25 discovery requests.
26

1 On March 10, 2016, Safeco sent to opposing counsel not only a list of
2 meritorious preference defenses, but also a request for the kind of informal
3 discovery that is not only allowed, but encouraged under Paragraph G of the
4 Court's Procedures Order. (Doc. 10280, page 3, ¶ G). The City ignored both the
5 defenses and the informal discovery request, which leaves Safeco unable to
6 defend itself against what is, like so many other preference actions filed by the
7 City, a preference claim that is without any merit. Therefore, Safeco requests
8 that the Procedures Order be amended as to Safeco to allow it to begin to build
9 its defenses through the formal process allowed by the rules of procedure.
10 Alternatively, Safeco joins in the Status Report of Certain Defendants filed on
11 May 16, 2016. (Doc. 11173).

12 DATED this 16th day of May, 2016.

13 JENNINGS, HAUG & CUNNINGHAM, LLP

14 /s/ Joseph A. Brophy

15 Chad L. Schexnayder (No. 009832)

16 Joseph A. Brophy (No. 026662)

17 2800 N. Central Avenue, Suite 1800

18 Phoenix, AZ 85004-1049

19 Telephone: 602-234-7800

20 Facsimile: 602-277-5595

21 Counsel for Safeco Insurance Company
22 of America
23
24
25
26